(d) There should be five Recovery Tribunals set up only for recovering corporate debts to secured creditors.

(e) RBI guidelines on rehabilitation should be revised to exclude concessions on fresh loans. Any concessions on old debts should be in the form of write-offs with the non-written off exposures (loans) be charged market rates of interest. Whenever write offs are taken, these should be in the form of debt equity conversions. Evaluation of reorganisation plans should be done at oportunity costs.

(f) To aid the processes of reorganisation, other enactments comprising Income-Tax Law, stamp acts, Companies Act, ULCRA; Industrial Disputes Act, etc. be appropriately amended.

(iii) Committee to study the problems of sick/weak units in leather industry—1993—Set up by RBI — Chairman: Shri M. G. Balasubramanian.

Main recommendations of the Committee:

(a) The Committee has emphasised on the need for banks to get alterted on observing signs of sickness at the incipient stage and to take ameliorative measures.

(b) Several suggestions have been made by the Committee to ensure adequate sanction of working capital based on the genuine needs of the industrial unit including desired aptitudes on the part of bank personnel.

(c) The Committee has given several suggestions to improve monitoring of accounts by banks. It has recommended posting qualified leather technologists with a short training in banking to monitor leather units in places where banks have large exposures in financing leather industrial units.

(d) The Committee has laid emphasis on increasing confidence of bank officers to take bonafide decisions especially in rehabilitation efforts.

(e) The Committee has re-interated the importance of government giving top priortiy for effluent treatment.

(f) with a view to accelerating the development of leather industry at the grass root level, the Committee has recommended setting up of consultancy organisations (which could be sub-ordinates CLRI) which will concentrate on shop floor problems faced by individual units. These organisations should be set up near major tannery centres in the country.

(g) The Committee has recommended setting up of a Leather Development Fund from which grants could be given for specific purposes such as to the consultancy organisations mentioned above to tackle problems faced by individual units; R and D; provision of loans to meet expenses for repairing and reconditioning machinery, effluent treatment, modernisation. etc.

Vanaspati plants set up in Orissa

3902. SHRI RAHASBIHARI BARIK: Will the PRIME MINISTER be pleased to state:

(a) whether Government have a proposal to set up some Vanaspati plants in Orissa;

(b) if so, the names of the places in that State where these Vanaspati plants are proposed to be set up; and

(c) the steps taken in that direction?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRIMATI KRISHNA SAHI): (a) to (c) Vanaspati and Vegetable Oil Industries have been de-licenced since 24th July, 1991. As such, no industrial licence is required for setting up of Vanaspati Plant under the Provisions of Industries (Development & Regulation) Act. However, 9 Industrial Entrepreneur Memorandum have been filed by private entrepreneurs during August, 1991 — March, 1995 for setting up vegetable oil units at Sambalpur, Kalahandi, Cuttack and Keonjhar districts of Orissa State.

Revival of TCIL

3903. SHRI DIPANKAR MUKHERJEE:

SHRI NILOTPAL BASU:

Will the PRIME MINISTER be pleased to refer to answer to Unstarred Question 2622 given in the Rajya Sabha on the 22nd December, 1994 and state:

(a) whether Government could not give its consent to BIFR on the revival scheme of TCIL on 6th March, 1995 through the scheme was notified by the Bench on 30th December, 1994;

(b) if so, whether the same is not against the stipulation of 60 days for giving consent as per Section 19(2) of SICA when the Operating Agency's report regarding the Tangra Unit was received by Government in early November, 1994;

(c) whether in the BIFR hearing held on 20th September, 1994 the scheme was outlined by the Bench and in para 9 of the proceeding of the same hearing, it was submitted that Government representative was involved at all stages for preparing the revised rehabilitation scheme; and

(d) if so, what are the reasons of this undue delay by Government to take this decision and what is the impact on the revival cost per day for the delay in giving the consent?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRIMATI KRISHNA SAHI): (a) Yes, Sir.

(b) Section 19(2) of SICA stipulates that every scheme shall be circulated to every person required by the scheme to provide financial assistance for his consent within 60 days from the date of such circulation or within such further period not exceeding 60 days, as may be allowed by BIFR. The Draft Rehabilitation Scheme of TCIL was received by Govt. from BIFR on 6.1.1995. In its hearing on 6.3.1995 BIFR granted Govt. time upto 21.4.1995 for conveying its views. Govt. communicated its views to BIFR within the time limit granted.

(c) In the BIFR hearing on 20.9.94, the revival scheme was outlined by the Bench and the Operating Agency was asked to appropriately modify the scheme. It has been recorded at para 9 of the proceedings that the Govt. representative stated that the revival proposal to Tangra unit was required to be examined in detail by Govt. before making any commitment. It is also recorded that he stated that Govt. representative was involved at all stages of preparing revised Rehabilitation Scheme for Tangra unit. However, the Govt. wrote to BIFR on 17.10.1994 pointing out that the Govt. representative had not made this submission before the Bench. Rather, it was the observation of the Bench.

(d) Does not arise since Govt. has communicated its views within the time limit granted by BIFR